

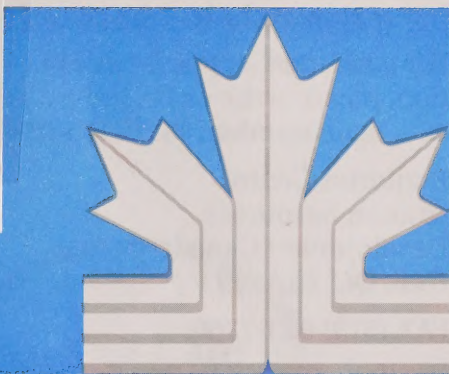
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Old Age Security Pension

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Human Resources
Development Canada

Développement des
ressources humaines Canada

Canada

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This booklet on the **Old Age Security pension** contains general information only. In case of disputes, the wording and provisions of the *Old Age Security Act and Regulations* prevail.

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The Old Age Security Program

The Old Age Security program (OAS), which is financed from general revenues of the Government of Canada, is the cornerstone of Canada's retirement income system. The OAS is a monthly payment that goes to almost all people over 65 who have lived in Canada for a certain time.

OAS is different from the Canada Pension Plan (CPP). People pay into CPP when they work, and the program provides payments to workers and their families.

OAS and CPP combine with company pensions and retirement investments to provide Canadians with one of the best retirement income systems in the world.

This booklet describes the Old Age Security pension—one of three Old Age Security (OAS) programs. The other OAS programs are:

The Guaranteed Income Supplement

The Guaranteed Income Supplement provides extra money to low-income

pensioners. To be eligible to receive the Supplement, you must also be receiving the Old Age Security pension. For more information, see the booklet *Guaranteed Income Supplement*.

The Spouse's Allowance and the Widowed Spouse's Allowance

You can apply for the Spouse's Allowance if you meet three conditions:

- You are 60 to 64 years old.
- You have lived in Canada as an adult for at least 10 years.
- Your spouse receives or is entitled to receive the Guaranteed Income Supplement.

The Widowed Spouse's Allowance is also available to low-income widows or widowers who are 60 to 64 years old and meet certain residence requirements. For more information, see the booklet *Spouse's Allowance and Widowed Spouse's Allowance*.

The Old Age Security pension

The Old Age Security pension is a monthly payment available to most Canadians aged 65 or older. You must apply to receive benefits. If you meet the eligibility requirements explained below, you may be entitled to receive the Old Age Security pension even if you are still working or have never worked.

WHO CAN RECEIVE THE OLD AGE SECURITY PENSION

We look at two things to determine if you can receive the Old Age Security pension: your age and your years of residence in Canada. If you fall into either of the categories below, you may be eligible to receive the Old Age Security pension.

Category 1—People living in Canada

- You are 65 or older.
- You live in Canada and are a Canadian citizen or a legal resident at the time your pension is approved.

- You lived in Canada for at least 10 years as an adult.

Category 2—People living outside Canada

- You are 65 or older.
- You left the country and you were a Canadian citizen or a legal resident of Canada when you left.
- You lived in Canada for at least 20 years as an adult.

If you do not fall into either of these two categories, you may still qualify for a pension since Canada has social security agreements with many countries. If you have lived in one of these countries or contributed to its social security system, you may qualify for a pension from that country, from Canada or from both countries. Call us for more information.

APPLYING FOR THE OLD AGE SECURITY PENSION

When should I apply?

You should apply for the Old Age Security pension six months before you turn 65. Normally, you must apply on your own behalf. If you are applying for someone else, please contact us for more information.

How do I apply?

You can pick up an application kit from any Human Resources Development Canada office. You can also order an application kit by calling one of the numbers listed on the last page of this booklet. The kit contains detailed instructions to help you apply for the Old Age Security pension, including where to send the completed application form.

What documents will I need to provide?

Depending on your situation, you will have to provide up to two kinds of documents with your application:

- **Birth or baptismal certificate—** Normally, you have to prove that you are at least 65 years old by submitting a birth or baptismal certificate. You do **not** have to provide these certificates if you applied for a benefit under the Canada Pension Plan and sent one of these documents at that time. If you cannot obtain one of these certificates, call us for information about other documents that may be acceptable.

- **Citizenship or immigration documents**—If you were **not** born in Canada, you must submit proof of your legal status in Canada such as citizenship or immigration documents. If you have **not** lived continuously in Canada since age 18, you must submit proof of all the dates you arrived in Canada and when you left. Usually, you can do this with a passport.

The application kit contains more detailed information about these requirements.

HOW WE CALCULATE YOUR BENEFITS

The Old Age Security pension is like a large pie divided into 40 equal portions. If you qualify for the “full pension,” you are entitled to receive all 40 portions each month. If you qualify for a “partial pension,” you will receive some, but not all, of the 40 portions each month. Whether you qualify for a full or partial pension depends on how long you've lived in Canada. See below for more details.

Full Pension

Normally, if you meet the conditions in either of the two categories below, you qualify for a full pension:

Category 1—You meet the one condition below

- You lived in Canada for at least 40 years after turning 18.

Category 2—You meet the three conditions below

1. You were born on or before July 1, 1952.
2. Between the time you turned 18 and July 1, 1977, you lived in Canada for some period of time.
3. You lived in Canada for the 10 years immediately before your application was approved.

If you have not lived in Canada for all of these last 10 years because you gave up residence here at some time, you may **still** qualify for a full pension if you meet both conditions below:

- You lived in Canada for the year immediately before your application was approved.

- Prior to these last 10 years, you lived in Canada as an adult at least 3 times as long as the total of your absences during the last 10 years.

Partial Pension

If you don't qualify for the full pension and you meet the conditions in either of the situations below, you may qualify for a partial pension. Once a partial pension is approved, the number of portions of the “pie” that you will receive can never be increased. You will, however, qualify for any cost-of-living increases (see page 14).

How much is a partial pension?

For each complete year of residence in Canada after age 18, you earn 1 of the 40 portions available in the pension. In other words, if you lived in Canada for 10 years as an adult, you would qualify to receive 10 portions which is equal to one-quarter of the full pension.

RECEIVING YOUR OLD AGE SECURITY PENSION

Usually, your Old Age Security pension will begin either on the month after you have met the residence requirements or the month after your 65th birthday, whichever comes later.

If you apply after age 65, you can receive a back payment to cover up to 12 months of missed payments. For example, if you apply for the pension when you turn 66, you would receive a back payment for 12 months of benefits. The back payment is calculated from the month that we receive your application.

When do payments arrive?

Payments usually arrive in the last three banking days of each month. If your payment is late more than a week, or if you lose your payment, please call us.

Can you send the payment to my bank?

Yes. Normally, we deposit your pension payment directly into your bank account either in Canada or the United States through our Direct Deposit service. Although payment by cheque is possible, Direct Deposit offers several advantages:

- Your deposit will always be on time and you can start using the money and earning interest immediately.
- Your payment can never be lost, stolen or damaged.
- Your pension will automatically be deposited into your account if you are ill, on vacation or travelling.

Call us to learn more about this free service. If you wish to sign up for the service over the telephone, be sure to have this information when you call:

Personal Information

- your Social Insurance Number;
- your telephone number, including area code; and
- your current residential address, including the postal code.

Banking Information

- the name of your bank or financial institution;
- the branch number of the bank; and
- your bank account number

If you have a chequing account, you can find the banking information on your cheque.

What happens if I move?

If you are planning to move, you must tell us your new address and postal code as soon as possible. This will allow us to update our records and make sure that your payment gets to you on time. Even if your payments are deposited directly into your bank account, we still need to know your new address so we can send you important information and your yearly income tax slip.

Can I receive my pension outside Canada?

Usually, we can send you your payment outside the country for as long as you want if:

- You lived in Canada for at least 20 years as an adult.

or

- You lived or worked in a country that has a social security agreement with Canada and are considered to meet the 20-year residence requirement because of that.

If you do **not** fall into either of the above categories, we can only send your payments outside Canada for the month that you leave, and for six months after that. For example, if you left Canada in January, we would send payments until the end of July. After July, the payments would stop. If you plan to be absent from Canada for more than six months, you must call us well before you leave. If you return to live in Canada, we will start your payments again from the month you return. Whether you are living in Canada or abroad, all payments are in Canadian dollars.

Will I get cost-of-living increases?

We will increase your pension payments to reflect any increases in the cost of living as measured by the Consumer Price Index. We make any necessary adjustments every three months—in January, April, July, and October.

The Old Age Security pension will **not** go down if the cost of living falls.

Will my pension ever stop?

If you have not lived in Canada for at least 20 years after turning 18, we will stop your pension if you are out of the country for more than six months. We will also stop the pension when you die.

FILING YOUR INCOME TAX RETURN

Is my Old Age Security pension taxable?

Like most other retirement income, your Old Age Security pension is taxable income. Pensioners who earn after-tax income of \$53,215 or more (including the Old Age Security pension) have to repay part of their pension benefits. These repayments are normally deducted each month from your pension payment.

How do I pay the income tax on my pension?

You can pay income tax in three different ways:

- **Each month.** If you wish, we can deduct income tax from your pension each month.
- **Four times a year.** If you don't choose monthly deductions, you may be required by law to pay your income tax in quarterly instalments.

- **Yearly.** Many Canadians determine how much tax they owe when they file their annual tax return.

Call us for more information or contact your local Revenue Canada tax services office.

How do I include pension information in my tax return?

Each January, you will receive an OAS tax slip that will show the amount of Old Age Security pension you received during the previous year. The amount will reflect your regular benefits, any back payments you received and any taxes you have had deducted. You should use the OAS tax slip to help calculate your income tax and submit the slip with your income tax return.

APPEALING A DECISION

If you disagree with a decision that affects your pension, you have the right to an explanation. Call us first and we can usually settle the matter. If you are not satisfied with our response, you may request a “reconsideration.” To do this, you must send a letter to the Regional Director of Income Security Programs within 90 days of

receiving notice of our decision. Please call us for the mailing address for your region. In your letter, tell the Regional Director:

- your name;
- your address;
- your Social Insurance Number; and
- your reason(s) for making the appeal.

If you are not satisfied with the Regional Director's response, you can appeal the decision to a Review Tribunal.

PROTECTING INFORMATION ABOUT YOU

Your privacy is protected.

The *Old Age Security Act and Regulations* ensure that only specific agencies authorized by the Minister of Human Resources Development Canada are entitled to review relevant parts of your records. Personal information in your file **cannot** be given to other agencies or individuals without your consent.

The *Access to Information Act* also prevents the release of information about you without your consent. However, there are two exceptions: information can be released if it has already been made public or if the release is allowed under the *Privacy Act*. The government can **only** use information for the purpose for which it was collected, except to comply with a warrant or subpoena, or to enforce a law.

Can I have access to information on my file?

You have the right to review information about you that is kept on file by the Government of Canada. To help citizens get access to information about themselves, the Government has published *Info Source: Sources of federal government information*. To make a request, you must complete an information request form. These forms and *Info Source* are available in government offices open to the public, such as a Human Resources Development Canada office. They are also available at public libraries, most rural post offices and in Canadian missions abroad.

OTHER PUBLIC RETIREMENT BENEFITS

In addition to the basic OAS pension, low-income seniors may qualify for other retirement benefits. See the following booklets for more information: *Guaranteed Income Supplement* and *Spouse's Allowance and Widowed Spouse's Allowance*.

If you contributed to either the Canada Pension Plan or the Quebec Pension Plan in at least one year from January 1966, you may be eligible for a retirement pension at age 65. If you have retired or substantially reduced your hours of work, you could also qualify for a reduced retirement pension as early as age 60.

Disability and survivor benefits are also available under the Canada Pension Plan and the Quebec Pension Plan if sufficient contributions have been made. You must apply to receive any of these benefits.

Call us for more information about the Canada Pension Plan. For more information on the Quebec Pension Plan, contact:

La Régie des rentes du Québec
P.O. Box 5200
Québec, QC G1K 7S9

You may be entitled to benefits under the Employment Insurance program. Please contact your local Human Resource Centre of Canada.

You may also be entitled to benefits from other federal programs such as War Veterans Allowances. Contact Veterans Affairs Canada for more information.

Your provincial and municipal governments may offer income assistance and services to seniors such as housing or health coverage. Several provinces offer monthly top-up payments to GIS clients. Please use your telephone directory to contact these agencies.

More Information

For more information about the Old Age Security program and the Canada Pension Plan, please call Human Resources Development Canada at the telephone numbers below. The calls, which are free of charge, can only be made within North America.

1 800 277-9914 (English)

1 800 277-9915 (French)

If you have a hearing or speech impairment and you use a TDD/TTY device, please call **1-800 255-4786**.

Our lines are busiest at the beginning and end of each month. If your business can wait, it's best to call at other times.

Please have your Social Insurance Number ready.

The following booklets, as well as information on international social security agreements, are available from Human Resources Development Canada:

Guaranteed Income Supplement

Spouse's Allowance and Widowed Spouse's Allowance

Retirement Pension — Canada Pension Plan

Disability Benefits — Canada Pension Plan

Survivor Benefits — Canada Pension Plan

Credit Splitting upon divorce or separation — Canada Pension Plan

Much of this material is also available on the Department's Web site:
www.hrdc-drhc.gc.ca/isp

